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Koyai Trust

Annual Report 1966

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holders at
of February, 1967



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The Royal Trust Company Annual Report
for the year ended
31st December, 1966

Presented to the 67th annual general
meeting of the company's shareholders at
Montreal, Thursday the 16th day of February, 1967

ROYAL TRUST



Report by the President to the Shareholders

Mr. Chairman, Ladies and Gentlemen,

I am happy to associate myself with the Chairman in welcoming you to the Sixty-Seventh Annual General Meeting of Shareholders of The Royal Trust Company — Compagnie Trust Royal — and to the Special General meeting called in conjunction with it. While we are not yet 100 years old, it seems not too inappropriate to be producing our 67th Annual Report in 1967, our Country's Centennial Year. May I also extend greetings to any new shareholders who may be with us for the first time.

We will endeavour to give you the highlights of Royal Trust's affairs during 1966. It was, for all of us, a demanding year, containing, as usual, a mixture of successes and sorrows, of things achieved and of some projects deferred for various reasons. On balance, it was a year of much progress and adjustment.

At last year's meeting we had encouraging news about my predecessor, John M. Wells. However, his health subsequently declined, and after a long illness, he died on 20th November, 1966. His years of dedication to this Company will never be forgotten by those who knew him.

It is with regret that I record the death of Hugh G. Hilton, of Hamilton, who served us well as a Director from 1952 to 1965, and as an Honorary Director thereafter.

Other losses suffered through death in 1966 were Vance B. Graveley, a member of Calgary Advisory Board since 1949; J. C. Milburn, a Director of The Royal Trust Company of Canada (Channel Islands) Ltd.; Kenneth D. Soble, a member of our Hamilton Advisory Board since 1965; Eric L. Miller, a member of our Halifax Advisory Board since 1949, and Hon. Charles P. McTague, Q.C. a member of our Toronto Advisory Board since 1949.

An invitation to join the Board of Directors has been extended to Kenneth A. White, of Montreal, our Executive Vice-President, whose record and accomplishments in the Company's service, both here and in Toronto, are well known to many of you. His name will be included in the nominations to the Board to be presented to you at this meeting.

During 1966, W. C. Mainwaring, a member of Vancouver Advisory Board since 1949, and G. M. Black, Jr., a member of Toronto Advisory Board since 1960, resigned because of pressure of other business. A. H. Cabeldu, C. R. Tittmore and C. L. Wittman retired from Advisory Boards in Ottawa, Newfoundland and Saskatoon respectively, due to re-location. J. E. V. L. Gelly, Quebec, and J. A. Hobson, of London, England, resigned from the

Boards in those cities on retiring from active business life. W. E. Newbigging, a member and chairman of our Edmonton Advisory Board since 1955, resigned because of ill-health. To those gentlemen who have retired from our Boards, we express sincere thanks for their help over the years.

New Advisory Boards were formed in St. Catharines and in Saskatoon. In St. Catharines, members appointed are G. D. Morrison, our manager, and G. E. Irvine, E. F. McCordick, D. A. MacFarlane, A. S. Notman and Dr. B. E. Sherk. In Saskatoon, the Chairman is our manager, A. G. Aldous, and members appointed now are D. L. Evans, J. H. Evans, and G. B. Nelson. We have invited the members of these two Advisory Boards, as well as those from Sault Ste. Marie, to this meeting and I hope it will be possible for you to make their acquaintance. I extend to all of them a particularly warm welcome.

During the year the following have also been appointed to Boards at various branches: D. A. Golden, Ottawa; D. R. McCallum, London, England; A. M. McGavin, Vancouver; M. L. Masse, Quebec. I welcome them to our counsels. F. H. Black was appointed Chairman of our Lakehead Advisory Board, and H. W. MacEwing, manager of Edmonton Branch, was appointed Chairman of that Board.

In June 1966, I went overseas, and among other duties performed was the formal start-up of The Royal Trust Company of Canada (Ireland) Limited in Dublin, under the managership of G. P. Camble; gentlemen who are serving on the Board of that company (other than employees) are A. W. Warnock, C.A., and G. A. C. Stirling. In the course of the same trip, new premises were opened in St. Helier, in Jersey, and I was able to meet the local Board; later in the year, its Chairman, R. R. Jeune, visited us in Canada.

We have about 125 gentlemen, leaders in their communities (exclusive of employees) serving on our various Branch Boards and are indeed fortunate, as are our clients, to have this great source of business knowledge on which to draw. Their attention and interest are deeply appreciated.

When one considers the expanding ramifications of the company, bearing in mind its interests in the Bahamas as well as those already mentioned in England, Ireland and the Channel Islands, its ownership of The Royal Trust Company Mortgage Corporation and Royal Agencies Limited, its participation in Dorchester University Holdings and others, it is not unreasonable to regard the entire structure as "The Royal Trust Group of Companies" and as time goes on I believe that our thinking must necessarily be

more and more in such a context. It is certainly many a long day since we could be regarded as an organization which was purely local in its nature.

The Company's Stock

I reported to you about our Capital Stock last year, and then in the light of subsequent political developments at Quebec I wrote to you on 29th April. One result of last year's election in that province was to suspend progress on our Bill (and many others) until such time as the new government could take over the reins of power and organize itself and its appropriate committees. Another result was that we had to brief new legal counsel, because the election sent to Parliament our solicitor's partner, thus making it impossible for that firm to represent us. These matters, with the advice and authorization of the Board of Directors, were attended to. It should also be remembered that the government renewed the mandate of the Parizeau Committee to examine into and report upon, inter alia, trust companies operating under the laws of Quebec.

Our plan still remains in essence what you authorized us to seek. However, I did say last year that should the desired Private Bill not be forthcoming, we would restudy the entire situation. We have taken advantage of the enforced delay to do so, in conjunction with our counsel, and with the overall authority and consent of the Board. Finally, I wrote to you on 26th January, 1967, to apprise you of the business to come before the "Special" part of this meeting. With your hoped-for approval, we will return to Quebec; it seems now to be reasonable to expect a favourable reaction to our respectful petition.

Liquidity

The year 1966 was a most disturbed one for the financial community. The traditionally strong liquid position presented by our Balance Sheet therefore is most relevant. "Readily realizable assets" increased from \$303 million in 1965 to \$396 million (a liquidity ratio of some 60 per cent). Included in this total are cash and cash equivalents of \$107 million. Holdings of Government bonds at \$101 million, are approximately the same as last year. Most of the Canada bonds mature within three years.

In Guaranteed Account, the policy of concentrating mortgages in the 5-year area has been continued. About 90 per cent of mortgages held for that account

mature within five years. The account also holds approximately \$33 million in mortgages for the account of clients under firm take-out arrangements.

I have been speaking about our assets. Last year I reported that not only were our assets very liquid but our liabilities had lengthened in term.

In 1966, the Company was very successful in attracting money for a 5-year term. Such money, under firm contract for the 5-year period, is a valuable support to the Company's operations. There are now over 36,000 Guaranteed Investment Receipts outstanding compared with 20,000 one year ago and only 5,000 as recently as 1960.

Balance Sheet

For the first time, the financial statements are presented to you in consolidated form, to reflect the financial position and operating results of The Royal Trust Company and its wholly-owned subsidiary companies. This form of presentation is prompted by the hope that Royal Trust stock will be listed and freely traded during the current year, and that present and prospective shareholders would wish to have the fullest possible information as to the overall position of the Royal Trust group of companies, particularly at a time when financial organizations are the centre of so much interest and even criticism.

In addition to the Consolidated Balance Sheet, the report includes the balance sheets and profit and loss accounts of the two principal companies comprising the consolidation, The Royal Trust Company and The Royal Trust Company Mortgage Corporation. Comparative figures for 1965 are given throughout. Every care has been given to the presentation so that the figures on the Balance Sheets stand out clearly and simply. Full explanatory notes are provided. In particular, you are referred to those notes which analyse securities, and mortgages by classification and maturity date and in other ways. The statements also show the market value of securities held, based on year-end closing bid prices.

Assets of Own and Guaranteed Fund accounts at 31st December, 1966, totalled \$665,000,000, an increase of \$122,000,000 or 23 per cent over the year-end assets of the previous year. This is due largely to an increase of \$114,000,000 or 27 per cent in our Guaranteed Account.

Investment receipts outstanding at 31st December, 1966, totalled \$506,000,000, an increase of \$102,000,000 or 25 per cent over the year-end bal-

ance of the previous year. Savings deposits grew in the year by \$12,200,000 or 58 per cent to a total of \$33,200,000.

The Company has continued its policy of transferring to a mortgage contingency reserve the full amount permitted under income tax regulations. With the continued increase in mortgages held, the combined allowance for the parent company and its mortgage subsidiary was \$1,425,000. The accumulated mortgage reserve for both companies now totals \$3,600,000. As indicated previously, no recourse to these reserves is considered necessary at this time in respect of mortgages held. The accounting treatment for these allowances is the same as in 1965.

Financial Results

Consolidated net profits after taxes for 1966 amounted to \$3,814,000, equivalent to \$6.03 per share on the 632,000 shares of Royal Trust Capital Stock outstanding at the year-end. The comparative consolidated profit in 1965 was \$5.15 per share.

Included in 1966 income was a sum of \$233,000, representing the net gain on disposal of premises at Vancouver, Winnipeg and Halifax. This profit is equivalent to 37 cents per share. Excluding this non-recurring income, the consolidated operating profit would be equivalent to \$5.66 per share, an increase of 51 cents or 10 per cent over 1965.

You will note that, for the first time, our full gross income is shown. In the past, it was customary to include only the net result of our Guaranteed Account operation, that is to say, the total income received on Guaranteed investments less interest paid; this year, for the first time, we have shown our gross income and the principal sources from which it derived.

The Directors have approved a transfer of \$1,000,000 from Retained Earnings to Reserve, which now totals \$24,000,000.

Dividend Policy

In view of satisfactory earnings and profits, the Board of Directors authorized payment on 1st February, 1967, of an extra dividend of 15 cents a share in respect of 1966 earnings, and a quarterly dividend of 75 cents per share. Based on 1966 results, it is expected that regular quarterly dividends of 75 cents per share will be maintained during 1967, resulting

in a total payout of \$3.15 a share on the 632,000 shares now outstanding, as against \$2.75 per share in 1966. If and when the shares are subdivided 5 for 1, this anticipated regular dividend payout would represent an annual disbursement of \$1,896,000.

Valuation of Shares

Last year I expressed the hope that this particular item might disappear from the proceedings of our Annual Meetings. For the reasons given earlier, I am constrained to express the same hope again — and by the same token, hope springs eternal. However, in the present state of our affairs, the shareholders are still required by Charter and By-Law to establish the “real value” of the Company’s shares based on the financial statements submitted to this meeting. The Directors recommend to you that the “real value” of the Company’s Capital Stock for the next 12 months, or for such shorter time as may develop, be maintained at \$95 a share. In so recommending, the Directors have taken into consideration the Company’s overall financial position and the results of its 1966 operations, including those of its subsidiaries. They have also taken into account the proposed changes in the status of the Company’s stock, including the projected subdividing and listing, and have recognized that any such changes still depend upon the enactment of our Private Bill by the Government of Quebec. They have also considered the ratio at which the market is capitalizing earnings and dividends of other trust and financial institutions, all with a view to establishing under present conditions and foreseeable changes, a reasonable price that might have to prevail for the next 12-month period or for a portion thereof as mentioned above.

You will be asked to approve an appropriate resolution establishing the “real value” at \$95 per share.

The Mortgage Corporation

The foregoing consolidated figures include the profits of The Royal Trust Company Mortgage Corporation, a wholly-owned subsidiary. The year 1966 was a difficult one for loan companies. It was virtually impossible to sell long-term debentures at a rate which provided a profitable spread for the purchase of mortgages. Accordingly, the Mortgage Corporation was compelled to carry out what might be called a “holding operation”. The Corporation was successful

in rolling over its short-term notes, which totalled about \$28 million at the year-end. The Province of Ontario, as of 1st January, 1967, enacted a law requiring loan corporations to hold in cash (or cash equivalent) a sum equal to 20 per cent of their notes due within 100 days. The Corporation believes this to be entirely sound, and in conformity with it, you will observe on the Balance Sheet of the Mortgage Corporation some \$5 million in short-term Government bonds and cash. The Corporation earned \$540,000, compared with \$477,000 in 1965. There was no change in capitalization during the year.

Taxation of Estates

The provinces of Alberta, Saskatchewan and Quebec have all been advocating changes in estate taxes in recent months. The various proposals for legislation and announcements of intent range from effective abolition of such taxes to far-reaching increases in exemptions. The two western provinces have indicated willingness to give up the 75 per cent of estate tax now collected in their territories and remitted to them by Ottawa. It is fair to comment that the combined result of heavy income taxes and succession duties is inimical to the creation or preservation of capital in Canada. Unquestionably the taxation of estates leads more and more people to seek out what are known as "tax havens" — places where there are no such taxes — and to move assets out of Canada at a time when Canada needs all the development capital that can be generated internally. Nevertheless, hopes for the abandonment of this field of taxation by the federal government may not be too well founded; not long ago the Minister of Finance advised a delegation from the Canadian Chamber of Commerce, of which I was a member, that he had no such intentions in mind. It is interesting to note this new development, however, and it concerns all taxpayers and all Royal Trust clients.

General

Last year, under this heading, I drew your attention to a number of items of pending legislation, reports from Royal Commissions and government committees, and to certain financial disasters creating special problems for trust companies, other financial institutions, and the federal and provincial governments. To be concise, it is not too much, or too little, to summarize 1966 by saying "more of the same".

The bill to amend the Bank Act has been introduced, and it would seem likely that when it finally becomes law the powers of the chartered banks will be somewhat increased in areas of interest to the trust companies. This is particularly true as to mortgages and possibly debentures. Later on, changes affecting directorships will have to be dealt with. I believe this Company, and indeed the trust industry, is well equipped to meet any fair competition that may emerge, and to maintain the past records of growth and profitability and the traditions of service to the Canadian economy. As to relationships with chartered banks, which have always been friendly and conducted with mutual respect, it is perhaps cogent to observe that, based on the most recent figures available, the banks still handle some 78 per cent of the traditional deposit business of this country.

Canada is to-day apparently much closer to legislation for the express protection of depositors — deposit insurance — than it was when I mentioned this prospect to you last year. More failures of finance companies and similar institutions have accelerated the demand for such laws. But let me emphasize that it is now more than 60 years since a depositor in a Canadian trust company lost any money.

The trust industry has never been averse to proper and reasonable protection under the law for depositors — and indeed for all clients. In fact, the industry submitted a "Programme for Co-operative Action by Governments" to Ottawa and to all the provinces, in January, 1966. Briefly, the submission proposed standards for liquidity, audit, investment and reports, and for inspection and regulation to be carried out either by the provinces or under arrangements to be worked out with the federal government. This produced some results in Ontario, Alberta, Prince Edward Island, and British Columbia. Quebec has its special Parizeau Committee looking into this whole area.

However, this programme, in so far as depositors are concerned, may have become rather academic by reason of recent federal action. Bill C.261 — "An Act to establish the Canada Deposit Insurance Corporation" — received first reading on 11th January, 1967 and has produced much discussion and interest on all sides. Being still in its initial stages, the bill naturally gives rise to a number of questions. In essence, it would insure deposits of up to \$20,000 in chartered banks and in federally incorporated trust and loan companies: any trust and loan companies provincially incorporated and accepting deposits could enter the scheme on a voluntary basis with the approval of the province concerned. At the moment, it is not clear as to whether the insurance is intended

to cover term as well as demand deposits, and this company, in addition, being a Quebec incorporation, should also await the outcome of the special committee studies mentioned above. It may be noted that the Attorney-General of British Columbia is reported to have stated that all institutions taking deposits from the public in that province will be obliged to comply with the federal scheme in due course.

It is not possible at the moment to be precise on the subject of deposit insurance — there are still far too many particulars remaining not only to be filled in but also to be discussed, and no doubt in more than one legislature. Deposit insurance, as presently conceived, will not, in my judgment, provide anything more in terms of careful, prudent, solvent management and policies that Royal Trust clients have not always had. I hold no brief to speak for others, but in my opinion clients of the established companies doing a full trust business in Canada are probably in the same position. Having said this, it is necessary to add that this company has always respected the law, and indeed has consistently set higher standards for the conduct of its affairs and those of its clients than have ever been imposed on it by any applicable laws. The Company will do its best to co-operate for the general good in seeking to set up any programme which will be workable, will take into account the different authorities claiming jurisdiction and responsibility, will not be extravagant, and will keep to a minimum the proliferation of government agencies, with their accompanying reports and inspections.

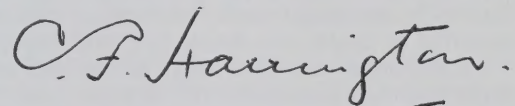
Before these complex matters are resolved — hopefully in a common-sense way — there still remains much hard work to be done, in committees, by preparing and presenting briefs, and so forth. Rest assured that no opportunity will be lost to represent adequately the interests of Royal Trust shareholders and clients.

Now let me tell you that the Pavilion on the United Nations at Expo '67 to which I referred at this time last year, and of which Royal Trust is a joint sponsor, is on schedule and bids fair to be both striking and successful. Please be sure to visit it when you go to Expo.

In conclusion, 1966 was a testing year. I am proud of the response given by the management and staff of the company at all levels. Once again, I record deep appreciation and thanks to Royal Trust's experienced staff, and to the Directors, Advisory Boards, and shareholders of the Company.

We are all conscious of the trust placed in us by thousands of Canadians in ever-increasing numbers. We have no intention of failing them. There are nu-

merous challenges and major problems confronting us in all spheres of our national life. Some of them are political, some social, some constitutional, some financial, and many combining several of these elements and more. As we Canadians enter our second century of Confederation, grateful for our wonderful heritage, let us try to remember one simple thing — and if we do, I believe we will find the answers to many problems that sometimes seem too big to be happily resolved. What we should remember is that unless we can successfully produce a bigger pie, and one that will continue to grow, it will be folly to try to give ever larger slices to more and more people.



President.

Remarks by the Executive Vice-President

The President has already referred to an atmosphere of uncertainty apparent in the Canadian financial world. His remarks emphasize our concern with this situation and the steps we have taken to demonstrate the basic strength of The Royal Trust Company. To meet the challenge of excellence, the programme for improving our services to clients in all segments of the trust business has been accelerated. We are training new members of the staff and re-training more-experienced personnel to higher levels of skills than have ever before been envisaged. In 1966 we completed the first two-year course for University graduates (or equivalent), each of whom wrote a full set of examinations on trust practice. The results were highly satisfactory and enabled us to place thirty men as Trust Officers in our branches across the country. We have continued to upgrade our investment research effort and during the year added significantly to the number and skills of trained specialists in this department. The work of this group is essential to sound investment portfolio management.

Assets under Administration at the end of 1966, excluding Guaranteed Funds Account and Savings Deposits, increased by \$249 million and now total approximately \$3.7 billion, calculated on our traditional conservative basis. While size alone is not necessarily worthy of great merit, there are many clients, corporations as well as individuals, who prefer to do business with a substantial organization possessing a wide range of experience. Such experience is gained by dealing in large, as well as small sums of money in the simplest, as well as the most sophisticated forms of investment. Accordingly, it has been considered desirable to develop a figure indicating the real value of the assets under our administration and we can now state with certainty they exceed \$7 billion. The figure has been estimated by use of modern sampling techniques approved by our own accountants. As the use of our computer progresses, this total will emerge in a year or so, automatically, and even more accurately. Not included in the total are the values of securities held as collateral or the values of properties held by us as trustee of debt issues or as escrow agent.

During 1966 we made a further refinement in our investment services, creating Managed Funds "A", "B" and "C". These replace the Managed Equity and Managed Investment Funds established in 1964 and 1965 respectively, which did not fully meet all the needs of our clients. We believe the investment characteristics of the three funds are unique and will be interesting to the many Canadians using the services of The Royal Trust Company. In particular, the application of the units of Funds "A" and "C" to a personal Retirement Savings Plan can have many advantages.

Pension Trusts

Last year reference was made to the introduction of the Canada and Quebec Pension Plans, which became effective from 1st January, 1966. It was not possible at that time to foresee the impact this development

could have on our business. However, 1966 has been a most active year for our Pension Trust operation, with substantial gains in assets under administration and a record high in the number of new appointments, which numbered in excess of one hundred.

The Federal Government has recently given first reading to a bill amending the Income Tax Act, which will include investment and other provisions for Deferred Profit-Sharing Plans. If enacted, we expect a renewed interest in this type of Employee Benefit Plan.

Trusteed pension plans have become a significant factor in our economy, providing an important medium for channelling savings into Canadian enterprise. Royal Trust is justifiably proud of the leadership it has given in this field. On 31st December, 1966, pension and retirement assets held by us had a market value in excess of \$1.1 billion.

The essential service we provide is a prudent, yet imaginative approach to investment to ensure appropriate use of the capital over the longer term. While it is difficult to measure investment management results objectively, there is a strong demand for the development of some device to measure performance. In discussing this subject one tends to think only in terms of common stocks and this media usually forms a substantial portion of a fund. When considering a portfolio, however, one should also think of the possibilities for performance through the medium of bonds, mortgages and purchase-leasebacks. Information on performance has a definite place and is of great value to the investor, but it concerns us that this development may produce in its wake some serious repercussions. It should not be forgotten that the prime responsibility of a Trustee is to invest prudently, consistent with the aims and objectives of a pension fund. Attempting to meet performance standards resulting from comparisons, however valid, tends to focus attention on short term objectives at the expense of more rewarding longer term results. Nevertheless The Royal Trust Company has been in the vanguard of those studying a method for calculating investment performance of pension funds. Our study has been underway for about four years. Recently we were invited to join a group of thirty major U.S. financial firms to sponsor the "Institute for Quantitative Research in Finance," at Princeton University. The Royal Trust Company is the only Canadian sponsor.

As you are aware, our Classified Trusts operate as a pooled investment medium for registered employee pension plans and consist of six separate Funds. In 1966 these flexible investment media for Pension Trusts continued to show a most satisfactory growth. There are now more than 500 participants and the market value of the assets held on their behalf now exceeds \$289 million.

Mortgages

In spite of extremely difficult money conditions existing during 1966, our over-all mortgage operation has continued to progress favourably. We placed approxi-



mately \$100 million in new mortgages on behalf of various clients, The Royal Trust Company Mortgage Corporation and the Guaranteed Account, bringing the total volume of mortgages on our books to a figure in excess of \$600 million. As noted by the President, Guaranteed Account increased in size substantially and the mortgage portion of that portfolio increased by about \$40 million. This did not change the ratio of mortgages to the total Fund significantly and it remains under 32 per cent, compared with an average of about 60 per cent for the trust industry as a whole.

Savings

Eight new savings departments were opened in 1966, four at existing branches and four in new sub-offices established during the year. Savings facilities are now available at all but one of our 30 trust offices across the country.

Computer

The substantial benefits gained to date from the application of Electronic Data Processing convinced us we should take a long step forward. Accordingly, we have added a second full unit to the tape computer, as well as an additional new type computer compatible with our existing punch card system, thus more than doubling our capacity. We are accelerating our present programmes and are studying a proposal to acquire an additional, medium-size computer. We are also well advanced in the use of high speed data transmission facilities, with a system linking Head Office to Vancouver now in operation.

Real Estate

During the year the Directors authorized the purchase of the Calgary firm of Lyle Bros. Ltd., which has operated successfully in the real estate business since 1929. This firm, its founders and staff, have now been integrated with The Royal Trust Company and operate as the Real Estate Department of the Calgary Branch. Kennett I. Lyle, F.R.I., S.I.R., has been appointed Manager.

In October, 1966, we completed the integration of our wholly-owned subsidiary, Chambers & Meredith Ltd., in Toronto, which has now become the Toronto Branch Real Estate Division, in charge of D. B. Chisholm.

Activity in the national real estate field during the year reached record levels for The Royal Trust Company in terms of dollar volume of sales transacted. The total sales shown were in excess of \$80 million, an increase of 22 per cent over the previous year. During 1967 we will continue to expand our activities in real estate consistent with the functions and objectives of The Royal Trust Company.

Branches and Premises

Some older Branch properties considered no longer suitable for the proper conduct of our business have been sold. As a result, we were able to move these branches into new premises and during 1966, Halifax, N.S.; Saint John, N.B.; Hamilton, Ont.; and St. Helier, Channel Islands, offices occupied larger and more up-to-date facilities. At Place Laurier Shopping Centre, Quebec, enlarged quarters were opened in June and before the end of the year, it was necessary to expand further. Kelowna Branch moved into a new building constructed on the site of our earlier office.

In addition we opened sub-offices at Corner Brook, Nfld.; Yonge and Eglinton, and Humbertown Shopping Centre, in Toronto, and Sherbrooke Street at Greene Avenue in Westmount, Quebec. Real Estate Offices were opened at Chateau Maisonneuve, in Montreal, and Royal York Shopping Plaza in Etobicoke, Ontario.

In the final weeks of the year, we completed plans for a move to be carried out in 1967 resulting in all Head Office and Montreal Branch personnel, the Montreal Real Estate Division and the Administrative Services Division being established on the first six floors at 630 Dorchester Boulevard West.

Last year we discussed the re-location of Sherbrooke Branch. This plan became a casualty of the 1966 tight money situation and the building did not materialize. Subsequently, a new site was located and construction is about to begin on a new building in which we expect to occupy prime space during the summer of 1967.

Staff and Organization

During 1966 the total number of employees increased from 2044 to 2136. As a matter of policy we are endeavouring to increase the capacity and responsibilities of present employees. All branches and functions are obliged to maintain a budget showing the number of employees required to carry out our business and a firm control of this figure is maintained.

However, it will be apparent that we cannot handle a rapidly expanding volume of business, as well as new types of services, without recruiting additional capable staff. Shareholders and friends will also appreciate that the record of achievement produced by this Company in 1966 would not have been possible without a high degree of co-operation from all members of the staff. We are looking forward with enthusiasm to the year ahead in the expectation of attaining even higher levels of service and achievement.

Executive Vice-President.

Consolidated Balance Sheet as at 31st December, 1966

Assets		
	<u>1966</u>	<u>1965*</u>
ASSETS HELD FOR GUARANTEED ACCOUNT		
Cash, bank deposit receipts and treasury bills	\$ 46,725,000	\$ 24,504,000
Secured demand loans	49,352,000	39,527,000
Securities — at cost (Note 2)	243,561,000	196,824,000
Mortgages — at cost (Note 3)	199,492,000	163,789,000
	<u>\$ 539,130,000</u>	<u>\$ 424,644,000</u>
OTHER ASSETS		
Cash, bank deposit receipts and treasury bills	\$ 4,155,000	\$ 4,008,000
Secured demand loans, and advances to clients	6,909,000	6,887,000
Miscellaneous accounts receivable	1,493,000	781,000
Securities — at cost less reserve (Note 2)	12,662,000	8,863,000
Mortgages held by subsidiary — at cost (Note 4)	88,862,000	86,169,000
Investment in and advances to partially-owned companies at cost	1,599,000	1,599,000
Premises, equipment and leasehold improvements at cost less accumulated depreciation and amortization	9,107,000	8,529,000
Unamortized debenture discount of mortgage subsidiary	1,204,000	1,367,000
	<u>\$ 125,991,000</u>	<u>\$ 118,203,000</u>
This is the Balance Sheet referred to in our report of this date		
RIDDELL, STEAD, GRAHAM & HUTCHISON Chartered Accountants		
Montreal, 23rd January, 1967	<u>\$ 665,121,000</u>	<u>\$ 542,847,000</u>
Assets Under Administration		
as at 31st December	<u>1966</u>	<u>1965</u>
Funds and Investments of Estates, Trust and Agency Accounts under Administration — at nominal values — excluding Bond Trusteeship and collateral held in that connection	\$3,701,800,000	\$3,452,832,000 +
Companies' Own and Guaranteed Account Assets	665,121,000	542,847,000
	<u>\$4,366,921,000</u>	<u>\$3,995,679,000</u>
*(Note 1)		

Liabilities and Shareholders' Equity

	1966	1965*
GUARANTEED ACCOUNT—TRUST FUNDS FOR INVESTMENT		
Investment Receipts (Note 5)	\$505,959,000	\$403,656,000
Savings	33,171,000	20,988,000
	<u>\$539,130,000</u>	<u>\$424,644,000</u>
LIABILITIES		
Short term notes of mortgage subsidiary	\$ 27,691,000	\$ 18,227,000
Due to bank	917,000	5,147,000
Income tax and sundry liabilities	2,679,000	2,902,000
Preferred dividend payable by mortgage subsidiary	125,000	125,000
Debentures of mortgage subsidiary (Note 6)	55,898,000	55,898,000
	<u>\$ 87,310,000</u>	<u>\$ 82,299,000</u>
MINORITY INTEREST AND CONTINGENCY PROVISIONS		
Accumulated tax reductions applicable to future years	\$ 134,000	\$ 164,000
Mortgage Contingency Provision	3,618,000	2,193,000
Preferred shares of mortgage subsidiary	5,000,000	5,000,000
	<u>\$ 8,752,000</u>	<u>\$ 7,357,000</u>
SHAREHOLDERS' EQUITY		
Capital Stock		
Authorized — 1,000,000 shares of \$5.00 par value;		
Issued and fully paid — 632,000 shares	\$ 3,160,000	\$ 3,160,000
Reserve	24,000,000	23,000,000
Retained Earnings	2,769,000	2,387,000
	<u>\$ 29,929,000</u>	<u>\$ 28,547,000</u>
	<u>\$665,121,000</u>	<u>\$542,847,000</u>

*(Note 1)

Signed on behalf of the Board

JACK PEMBROKE }
CONRAD F. HARRINGTON } Directors

The accompanying notes are an integral part
of these financial statements.

Statements of Consolidated Profit and Loss, Retained Earnings and Reserve Accounts for the year ended 31st December, 1966

Profit and Loss Account for the year ended 31st December		
	<u>1966</u>	<u>1965*</u>
Income		
Fees and commissions	\$ 19,215,000	\$ 16,789,000
Income from investments	36,076,000	26,707,000
Net gain on disposal of premises	233,000	
	<u>\$ 55,524,000</u>	<u>\$ 43,496,000</u>
Expenses		
Interest paid	\$ 28,465,000	\$ 19,708,000
Salaries, pension contributions and other staff benefits	12,325,000	11,120,000
Other	7,304,000	6,331,000
	<u>\$ 48,094,000</u>	<u>\$ 37,159,000</u>
Profit before Income Taxes	\$ 7,430,000	\$ 6,337,000
Income Taxes	3,366,000	2,938,000
Net profit before dividends to preferred shareholders of mortgage subsidiary	\$ 4,064,000	\$ 3,399,000
Dividends to preferred shareholders of mortgage subsidiary	250,000	146,000
Consolidated net profit for the year	<u>\$ 3,814,000</u>	<u>\$ 3,253,000</u>
Retained Earnings Account for the year ended 31st December		
	<u>1966</u>	<u>1965</u>
Balance 1st January	\$ 2,387,000	\$ 3,256,000
Consolidated net profit for the year	3,814,000	3,253,000
	<u>\$ 6,201,000</u>	<u>\$ 6,509,000</u>
Deduct: Mortgage Contingency Provision \$1,425,000		1,237,000
Less income tax reduction applicable thereto 731,000		(572,000)
	694,000	
Dividends paid	1,738,000	1,487,000
Transfer to Reserve	1,000,000	1,970,000
Balance 31st December	<u>\$ 2,769,000</u>	<u>\$ 2,387,000</u>
Reserve Account for the year ended 31st December		
	<u>1966</u>	<u>1965</u>
Balance 1st January	\$ 23,000,000	\$ 17,000,000
Transfer from Retained Earnings	1,000,000	1,970,000
Premium on issue of Capital Stock		4,030,000
Balance 31st December	<u>\$ 24,000,000</u>	<u>\$ 23,000,000</u>

*(Note 1)

Notes to Consolidated Financial Statements as at 31st December, 1966

1. In the financial statements the 1965 figures have been reclassified for purposes of comparison, and also include subsidiaries not previously consolidated.

2. An analysis of securities held for Guaranteed Account is as follows:

	<u>1966</u>	<u>1965</u>
	Cost	Cost
Canada bonds including guaranteed	\$ 81,878,000	\$ 80,255,000
Bonds of other governments including guaranteed	11,837,000	15,589,000
Obligations of municipalities and corporations	149,846,000	100,980,000
	<u>\$243,561,000</u>	<u>\$196,824,000</u>

An analysis of securities owned by the companies is as follows:

	<u>1966</u>	<u>1965</u>
	Cost less Reserve	Cost less Reserve
Canada bonds including guaranteed	\$ 6,710,000	\$ 3,750,000
Bonds of other governments including guaranteed	436,000	436,000
Obligations of municipalities and corporations	1,610,000	1,506,000
	<u>\$ 8,756,000</u>	<u>\$ 5,692,000</u>
Preferred shares	2,247,000	1,767,000
Common shares	1,659,000	1,404,000
	<u>\$ 12,662,000</u>	<u>\$ 8,863,000</u>

Total securities held for Guaranteed Account and owned by the companies

\$256,223,000 \$205,687,000

The aggregate market values of the above securities are \$258,173,000 for 1966 and \$208,233,000 for 1965

Percentages by maturities of bonds held for Guaranteed Account are as follows:

	<u>1966</u>	<u>1965</u>
1967	57.0%	57.9%
1968	13.1	10.9
1969	19.7	12.0
1970	6.5	12.5
1971	3.2	2.9
Beyond 1971	.5	3.8
	<u>100.0%</u>	<u>100.0%</u>

Notes to Consolidated Financial Statements (continued)

3. Mortgages by principal amount due held by Guaranteed Account are as follows:

		1966		1965
	%	\$	%	\$
Mortgages held for investment				
Due within 1 year	13.7	\$ 22,675,000	8.8	\$ 11,916,000
1 to 5 years	76.5	127,266,000	82.2	111,658,000
Beyond 5 years	9.8	16,345,000	9.0	12,266,000
	<u>100.0</u>	<u>\$166,286,000</u>	<u>100.0</u>	<u>\$135,840,000</u>
Mortgages under agreement for sale				
Receivable within 1 year		\$ 4,470,000		\$ 4,465,000
Receivable within 2 years		21,826,000		
Receivable within 3 years		6,910,000		23,484,000
		<u>\$ 33,206,000</u>		<u>\$ 27,949,000</u>
Total mortgages		<u>\$199,492,000</u>		<u>\$163,789,000</u>

4. Mortgages by principal amount due held by subsidiary are as follows:

		1966		1965
	%	\$	%	\$
Due within 1 year	4.4	\$ 3,933,000	6.1	\$ 5,222,000
1 to 5 years	19.6	17,348,000	26.5	22,865,000
6 to 10 years	42.4	37,705,000	36.9	31,773,000
11 to 15 years	30.2	26,848,000	27.5	23,643,000
16 to 20 years	2.5	2,194,000	2.2	1,931,000
21 to 25 years	.9	834,000	.8	735,000
	<u>100.0</u>	<u>\$ 88,862,000</u>	<u>100.0</u>	<u>\$ 86,169,000</u>

5. Investment Receipts are due as follows:

		1966		1965
Due within 1 year		\$344,488,000		\$271,394,000
1 to 5 years		161,471,000		132,262,000
		<u>\$505,959,000</u>		<u>\$403,656,000</u>

6. Maturity dates of debentures of mortgage subsidiary are as follows:

		1966		1965
1968		\$ 7,509,000		\$ 7,509,000
1969		5,389,000		5,389,000
1972		10,000,000		10,000,000
1975		9,250,000		9,250,000
1976		2,600,000		2,600,000
1981		3,400,000		3,400,000
1985		11,750,000		11,750,000
1995		6,000,000		6,000,000
		<u>\$ 55,898,000</u>		<u>\$ 55,898,000</u>

Annual sinking fund requirements are:

1971 to 1975 inclusive	\$ 280,000
1976 to 1980 inclusive	\$ 120,000

Interest rates vary between 5% and 6%

RIDDELL, STEAD, GRAHAM & HUTCHISON
CHARTERED ACCOUNTANTS

630 DORCHESTER BLVD. W.
MONTREAL 2

To the Shareholders of The Royal Trust Company

We have examined the accompanying consolidated financial statements of The Royal Trust Company and its wholly-owned subsidiaries as at 31st December 1966, comprising the consolidated balance sheet as at that date and the statements of consolidated profit and loss, retained earnings and reserve accounts for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Clients' accounts and guaranteed funds are kept separate from the Company's own funds and are so earmarked in the books of the Company as to show the accounts to which they belong.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the companies, the aforementioned statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Companies as at 31st December 1966 and the results of their operations for the year then ended.

Riddell, Stead, Graham & Hutchison

Montreal, 23rd January 1967

The Royal Trust Company

Balance Sheet as at 31st December, 1966

Assets		
ASSETS HELD FOR GUARANTEED ACCOUNT		
	<u>1966</u>	<u>1965*</u>
Cash, bank deposit receipts and treasury bills	\$ 43,884,000	\$ 24,125,000
Secured demand loans	49,452,000	39,527,000
Securities — at cost	235,920,000	195,203,000
Mortgages — at cost	199,492,000	163,789,000
	<u>\$528,748,000</u>	<u>\$422,644,000</u>
OTHER ASSETS		
Cash, bank deposit receipts and treasury bills	\$ 1,845,000	\$ 1,552,000
Secured demand loans, and advances to clients	6,123,000	6,971,000
Miscellaneous accounts receivable	967,000	540,000
Securities — at cost less reserve	8,639,000	7,808,000
Investment in and advances to subsidiary and partially-owned companies at cost	12,254,000	7,222,000
Equipment and leasehold improvements, at cost less accumulated depreciation and amortization	2,873,000	6,820,000
	<u>\$ 32,701,000</u>	<u>\$ 30,913,000</u>
	<u><u>\$561,449,000</u></u>	<u><u>\$453,557,000</u></u>
		*Adjusted

Liabilities and Shareholders' Equity

GUARANTEED ACCOUNT — TRUST FUNDS FOR INVESTMENT	1966	1965*
Investment Receipts	\$495,577,000	\$401,656,000
Savings	33,171,000	20,988,000
	<u>\$528,748,000</u>	<u>\$422,644,000</u>
LIABILITIES		
Due to bank	\$ 262,000	\$ 372,000
Income taxes payable	724,000	663,000
Sundry liabilities	307,000	316,000
	<u>\$ 1,293,000</u>	<u>\$ 1,351,000</u>
MORTGAGE CONTINGENCY PROVISION	<u>\$ 2,516,000</u>	<u>\$ 1,533,000</u>
SHAREHOLDERS' EQUITY		
Capital Stock		
Authorized — 1,000,000 shares of \$5.00 par value;		
Issued and fully paid — 632,000 shares	\$ 3,160,000	\$ 3,160,000
Reserve	24,000,000	23,000,000
Retained Earnings	1,732,000	1,869,000
	<u>\$ 28,892,000</u>	<u>\$ 28,029,000</u>
	<u>\$561,449,000</u>	<u>\$453,557,000</u>

*Adjusted

The Royal Trust Company

Statements of Profit and Loss, Retained Earnings and Reserve Accounts

for the year ended 31st December, 1966

Profit and Loss Account. for the year ended 31st December	<u>1966</u>	<u>1965*</u>
Income		
Fees and commissions	\$ 18,267,000	\$ 16,215,000
Income from investments	29,231,000	21,549,000
Dividends from subsidiaries	332,000	171,000
	<u>\$ 47,830,000</u>	<u>\$ 37,935,000</u>
Expenses		
Interest paid	\$ 23,473,000	\$ 16,308,000
Salaries, pension contributions and other staff benefits	11,650,000	10,537,000
Other	6,897,000	5,879,000
	<u>\$ 42,020,000</u>	<u>\$ 32,724,000</u>
Profit before Income Taxes	\$ 5,810,000	\$ 5,211,000
Income Taxes	2,727,000	2,375,000
Net Profit for the year	<u>\$ 3,083,000</u>	<u>\$ 2,836,000</u>
Retained Earnings Account for the year ended 31st December	<u>1966</u>	<u>1965</u>
Balance 1st January	\$ 1,869,000	\$ 2,894,000
Net profit for the year	3,083,000	2,836,000
	<u>\$ 4,952,000</u>	<u>\$ 5,730,000</u>
Deduct: Mortgage Contingency Provision \$983,000		804,000
Less income tax reduction applicable thereto 501,000		(400,000)
	482,000	
Dividends paid	1,738,000	1,487,000
Transfer to Reserve	1,000,000	1,970,000
Retained Earnings 31st December	<u>\$ 1,732,000</u>	<u>\$ 1,869,000</u>
Reserve Account for the year ended 31st December	<u>1966</u>	<u>1965</u>
Balance 1st January	\$ 23,000,000	\$ 17,000,000
Transfer from Retained Earnings	1,000,000	1,970,000
Premium on issue of Capital Stock		4,030,000
Balance 31st December	<u>\$ 24,000,000</u>	<u>\$ 23,000,000</u>

*Adjusted

The Royal Trust Company Mortgage Corporation

Balance Sheet as at 31st December, 1966

Assets

	1966	1965
Mortgages — at cost	\$ 88,862,000	\$ 86,169,000
Cash, bank deposit receipts and treasury bills	2,035,000	1,538,000
Securities — Government of Canada Bonds \$2,998,000		
Provincial Bonds 9,000		
(Market 1966 \$3,031,000)	3,007,000	
Income taxes recoverable	12,000	23,000
Unamortized debenture and note discount	1,204,000	1,367,000
	<u>\$ 95,120,000</u>	<u>\$ 89,097,000</u>

Liabilities and Shareholders' Equity

LIABILITIES

	1966	1965
Short term notes	\$ 27,791,000	\$ 18,227,000
Due to bank		4,000,000
Debentures	55,898,000	55,898,000
Accrued debenture and note interest	1,132,000	1,089,000
Preferred dividend payable	125,000	125,000
Income taxes payable	131,000	173,000
Sundry liabilities	44,000	56,000
	<u>\$ 85,121,000</u>	<u>\$ 79,568,000</u>

CONTINGENCY PROVISIONS

Accumulated tax reductions applicable to future years	\$ 134,000	\$ 164,000
Mortgage Contingency Provision	1,102,000	660,000
	<u>\$ 1,236,000</u>	<u>\$ 824,000</u>

SHAREHOLDERS' EQUITY

Capital Stock		
Authorized —		
5,000 4% cumulative preferred shares, par value \$100		
500,000 5% cumulative Series A preferred shares, par value \$20		
40,000 common shares, par value \$100		
Issued and fully paid —		
5,000 4% preferred shares	\$ 500,000	\$ 500,000
250,000 5% Series A preferred shares	5,000,000	5,000,000
17,000 common shares	1,700,000	1,700,000
Contributed Surplus	1,175,000	1,175,000
Retained Earnings	388,000	330,000
	<u>\$ 8,763,000</u>	<u>\$ 8,705,000</u>
	<u>\$ 95,120,000</u>	<u>\$ 89,097,000</u>

The Royal Trust Company Mortgage Corporation

Statements of Profit and Loss and

Retained Earnings Accounts for the year ended 31st December, 1966

Profit and Loss Account

for the year ended 31st December

	<u>1966</u>	<u>1965</u>
Interest Earned	\$ 6,552,000	\$ 4,870,000
Expenses		
Interest and amortization of debt discount	\$ 4,943,000	\$3,348,000
Other	598,000	587,000
	<u>\$ 5,541,000</u>	<u>\$ 3,935,000</u>
Profit before Income Taxes	\$ 1,011,000	\$ 935,000
Income Taxes		
Current \$501,000		378,000
Deferred (30,000)		80,000
	<u>471,000</u>	<u></u>
Net profit for the year	<u>\$ 540,000</u>	<u>\$ 477,000</u>

Retained Earnings Account

for the year ended 31st December

	<u>1966</u>	<u>1965</u>
Balance 1st January	\$ 330,000	\$ 280,000
Net profit for the year	540,000	477,000
	<u>\$ 870,000</u>	<u>\$ 757,000</u>
Deduct: Provision for Mortgage contingency . . . \$442,000		433,000
Less income tax reduction applicable thereto 230,000		(172,000)
	<u>212,000</u>	<u></u>
Dividends on Preferred Shares		
4% Preferred paid to parent company	20,000	20,000
5% Preferred	250,000	146,000
	<u></u>	<u></u>
Retained Earnings 31st December	<u>\$ 388,000</u>	<u>\$ 330,000</u>

Record of Growth

Consolidated Operations

Year	Assets under Administration	Gross Income	Net Profit (after taxes)
1966	\$4,367,000,000	\$55,524,000	\$3,814,000
1965	3,996,000,000	43,496,000	3,253,000
1964	3,541,000,000	35,334,000	2,745,000
1963	3,266,000,000	29,435,000	2,010,000
1962	2,968,000,000	25,414,000	2,026,000
1961	2,721,000,000	21,181,000	1,761,000
1960	2,465,000,000	19,774,000	1,546,000
1959	2,329,000,000	15,594,000	1,352,000
1958	2,166,000,000	12,906,000	1,478,000
1957	1,765,000,000	11,143,000	1,100,000
1950	1,052,000,000	5,011,000	672,000
1940	760,000,000	2,692,000	359,000
1930	532,000,000	2,611,000	550,000
1920	258,000,000	1,112,000	276,000
1910	43,000,000	419,000	251,000
1900	1,500,000	30,000	15,000



A steel chain was the ceremonial "ribbon" for the official opening of Hamilton Branch's new premises in Terminal Towers. V. W. T. Scully, Royal Trust director and Chairman of the Board of The Steel Company of Canada, Hamilton, did the honours, as C. F. Harrington, Royal Trust President, John A. Worsley, Branch Manager, and others look on.

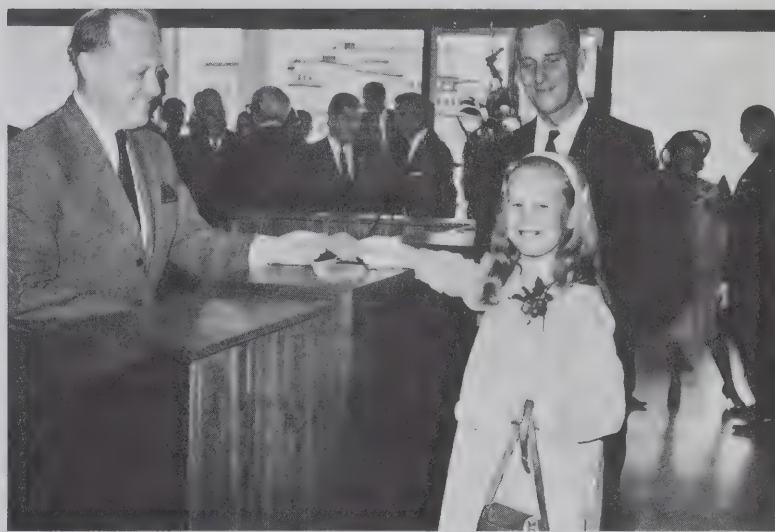
Edgar A. Collard, editor of The Gazette, Montreal, officially opened an exhibition of old prints of Montreal acquired by Royal Trust, in C-I-L House savings office. He discusses one of the prints with C. F. Harrington, Royal Trust's President.





Marking the opening of Saint John Branch's new premises in Brunswick House, Royal Trust director, R. B. Brennan, of Saint John, presented special albums of Churchill Records to, left to right, R. J. Hickey, representing Mount Allison University; Dr. Alphonse Gaudet, University of Moncton, and P. W. Oland (member of Saint John Advisory Board) representing the University of New Brunswick.

When Place Laurier (Quebec) savings office was opened, K. A. White, Royal Trust Executive Vice-President, issued the first account to Margaret Gravel, 10, granddaughter of J. P. A. Gravel, senior member of Quebec Advisory Board, and fourth generation of the Gravel family to be served by Royal Trust.



Mardie Weldon, 8, of London, Ont., granddaughter of Advisory Board Member, Douglas B. Weldon, was given the first account when London Branch opened its Savings Department. Fred Simpson, Branch Manager, measures her to determine the amount to be deposited in her name, at a dollar an inch. Her 52 inches in height netted her \$52.

Kelowna Branch's distinctive new home, overlooking Okanagan Lake, has already become a landmark, a centre of interest and admiration.



Board of Directors

*Jack Pembroke, C.B.E.
Chairman of the Board and
Chairman of the Executive Committee

*Conrad F. Harrington
President

*William A. Arbuckle, C.A.
Vice-President

Kenneth A. White
Executive Vice-President

Henry G. Birks
Ralph B. Brenan
*Alistair M. Campbell, F.I.A., F.S.A.
Harold P. Connor
James B. Cross
N. R. Crump
*Thomas W. Eadie, LL.D.
Charles P. Fell, LL.D.
Percy M. Fox, D.C.L., D.Sc.F.
C. Antoine Geoffrion, Q.C.
G. Blair Gordon
Joseph Harris, LL.D.
Harold Husband
Leonard Hynes
Arthur C. Jensen
William S. Kirkpatrick
Howard J. Lang

Louis A. Lapointe, Q.C.
M. W. Mackenzie, C.M.G.
The Hon. George C. Marler,
P.C., M.L.C., LL.D.
Jean Martineau, Q.C., LL.D.
John W. McKee
T. Rodgie McLagan, O.B.E.
D. Ross McMaster, Q.C.
Howard T. Mitchell
H. C. F. Mockridge, Q.C.
T. H. P. Molson
*John L. O'Brien, Q.C.
A. L. Penhale, D.C.L., D.Sc.
A. C. Price
Lucien G. Rolland, D.C.Sc.
V. W. T. Scully, C.M.G., F.C.A.
*H. Greville Smith, C.B.E.

Honorary Directors

Ross Clarkson, D.C.L.
Honorary Chairman
LaMonte J. Belnap
George W. Bourke, LL.D.
Norman J. Dawes
R. J. Dinning, LL.D.
Shirley G. Dixon, O.B.E., Q.C.
B. C. Gardner, M.C., D.C.L., LL.D.
George W. Huggett
Richard G. Ivey, Q.C., LL.D.
Frederick Johnson
R. E. Powell, LL.D.
H. E. Sellers, C.B.E., LL.D.
Walter M. Stewart
Jules R. Timmins,
O.B.E., LL.D., D.Sc.

* Members of the Executive Committee.

Executive Officers

Jack Pembroke, C.B.E.
Chairman of the Board and
Chairman of the Executive Committee

Conrad F. Harrington
President

Kenneth A. White
Executive Vice-President

G. M. Barlow
Senior Vice-President
Real Estate

J. F. Close, C.A.
Senior Vice-President
Financial

Maurice Forget
Senior Vice-President
Quebec Region

R. S. Whyte
Senior Vice-President
Administration

R. J. Wilson
Senior Vice-President
Ontario Region

Carman A. Jerry
Vice-President
Atlantic Provinces Region

R. W. Phipps
Vice-President
Western Region

E. A. M. Edson
Executive Assistant
to the President

F. N. Haden
General Supervisor
Employee Development

V. G. Hobbes
General Supervisor
Investments
(Personal Services)

M. A. Jamieson
General Supervisor
Employee Relations

H. G. Kirton
General Supervisor
Personal Trust

R. T. LaPrairie, C.A.
Comptroller

T. R. Lee, D.F.C.
General Supervisor
Public Relations

A. V. L. Mills
Secretary

J. E. Peters
General Supervisor
Special Projects

A. Purdy
General Supervisor
Mortgages

J. M. Scholes
General Supervisor
Investments
(Institutional Funds)

H. E. Trenholme
General Supervisor
Corporate and
Pension Trusts

Branch Executive Officers and Managers

D. H. W. Bath
Manager, Toronto

Kellock Heming
Manager, Montreal

J. W. R. Seattle
Manager, Vancouver

Alan G. Aldous
Manager, Saskatoon

J. W. Bayne
Manager, Victoria

C. F. Bentley
Manager, Charlottetown

Roscoe Chaffey
Manager, Winnipeg

Jacques Dionne
Manager, Sherbrooke

A. B. D. Gillespie
Manager, Regina

H. H. Gratton
Manager, Kingston

Charles C. de Léry
Manager, Quebec

A. E. Love
Manager, Sault Ste. Marie

Hugh W. MacEwing
Manager, Edmonton

G. D. Morrison
Manager, St. Catharines

W. E. Mundell
Manager, Lethbridge

M. J. Pratt
Manager, St. John's, Nfld.

G. F. Publicover
Manager, Saint John, N.B.

C. F. Ranson
Manager, Halifax

André Robitaille
Manager, Trois-Rivières

F. A. Simpson
Manager, London, Ont.

R. R. H. Sturgess
Manager, Calgary

D. S. N. Tuck
Manager, Lakehead

Andrew B. Weir
Manager, Ottawa

Norman White
Manager, Kelowna

J. A. Worsley
Manager, Hamilton

Other Offices in Canada (Not including Real Estate Offices)

R. E. Anderson
Manager,
Corner Brook, Nfld.

R. J. Guerette
Manager,
Place Laurier, Quebec

J. W. Hewitt
Manager,
Westmount, P.Q.

R. B. Jones
Manager,
Yonge & Eglinton
Toronto

D. W. McDonald
Manager,
Humbertown Centre,
Islington, Ont.

Overseas

A. H. Montgomery,
O.B.E., T.D., F.C.A.
Vice-President,
The Royal Trust Company
Chairman,
The Royal Trust Company of
Canada, London, England

G. B. Holt, T.D.
Deputy Chairman
and Managing Director,
The Royal Trust Company
of Canada,
London, England

S. F. Fermor, F.C.A.
Manager,
The Royal Trust Company
of Canada (C.I.) Limited,
St. Helier, Jersey, Channel Islands

G. W. P. Camble
Manager,
The Royal Trust Company
of Canada (Ireland) Limited
Dublin 2, Ireland

Business Representatives

Harry Chapman
Sutton, P.Q.
Eastern Townships
J. G. R. Lavoie
Arvida, P.Q.
Lac St-Jean Area, P.Q.

Hubert T. Lonergan
Yarmouth, N.S.
Nova Scotia - North Shore
J. M. McAfee
Red Deer
Central Alberta

Percy T. Palmer
Moncton
Moncton, N.B.
Fred A. Simpson
Guelph
Kitchener-Waterloo-Guelph
(Ontario)

Advisory Board Members

Newfoundland

M. J. Pratt, Chairman
Rupert W. Bartlett, Q.C.
Henry Collingwood
Arthur R. Lundrigan
Albert Martin
The Hon. Sir Leonard
C. Outerbridge, C.B.E., D.S.O.
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Services

Royal Trust provides for the individual

Estate Planning

Executor and trustee under wills

Administrator or agent
for the heirs in estates
where there is no will

Agent or attorney for executors

Agent for the management
of estates

Trustee under deeds of trust

Committee or curator to property

Manager of investments

Agent for the investment
of money and collection of
dividends, interest, rent,
and the principal of mortgages,
bonds and stocks

Managed Investment Funds

Agent to buy, sell, and manage
real estate

Mortgage loans

Custodian of securities

Depository for medium and
short term money against
Guaranteed Investment Receipts

Passbook savings

Savings Deposit Certificates

Agent for preparation of
Income tax returns

Registered retirement savings
plans (guaranteed)

Standing-by attorney

Services

Royal Trust provides for corporations, firms and other organizations

Transfer agent and registrar
for shares

Paying agent for dividends
and bond interest

Subscription and rights agent

Depository and escrow agent

Trustee for bond holders
and registrar for bonds

Depository for medium
and short term money against
Guaranteed Investment Receipts

Trustee and custodian for
pension and other employee
benefit plans

Trustee for buy-sell
agreements under business
insurance trusts

Management and custodianship
of securities

Custodian and trustee for
non-resident insurance companies

Agent for real estate,
mortgages and
lease-back agreements

Property management

Management of
endowment funds,
collection of pledges, etc.,
for charitable, religious,
educational and similar bodies

General financial agent and
all related services

*Terminal Towers, new home of
Royal Trust in Hamilton, Ontario.*



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Head Office :

Montreal,
105 St. James St. W.

Executive Offices:

Montreal,
630 Dorchester Blvd. W.

Regional Offices:

Atlantic Provinces Region
Halifax,
1648 Hollis Street

Quebec Region

Montreal,
630 Dorchester Blvd. W.

Ontario Region

Toronto,
120 Adelaide Street W.

Western Region

Vancouver,
626 West Pender Street

Atlantic Provinces Region

St. John's, Nfld. 247 Duckworth Street
Corner Brook Millbrook Shopping Centre
Halifax Centennial Building, 1648 Hollis Street
Holiday Inn, Dartmouth*
Charlottetown Dominion Building
Saint John, N.B. Brunswick House, One King Street

Quebec Region

Quebec 65 Ste. Anne Street
Laurier Shopping Centre
Trois-Rivières 154 Radisson Street
Sherbrooke 150 Frontenac Street
Montreal 630 Dorchester Blvd. West
105 St. James St. West
4145 Sherbrooke Street W.
Beaconsfield Shopping Centre*
Place Cremazie, 10 Place Cremazie West*
147 Kindersley Avenue, Town of Mount Royal*
Fairview Shopping Centre, Pointe Claire*
4999 St. Catherine Street W.*
Knowlton, Quebec*

Ontario Region

Ottawa 76 Metcalfe Street
Kingston 74 Brock Street
St. Catharines 4 Queen Street
Toronto 66-68 King Street West
2247 Yonge Street
32 Humbertown Centre, Islington
48 Yonge Street*
227 Eglinton Ave., West*
4683 Yonge St., Willowdale*
1500 York Road, Weston*
119 Adelaide St. W. (Corporate Trust)
Hamilton Terminal Towers, 105 Main Street East
130 King Street East
London, Ont. 289 Dundas Street
Sault Ste. Marie 350 Queen Street East
Lakehead 202 Arthur Street
(Port Arthur, Ont.)

Western Region

Winnipeg 287 Broadway
Saskatoon 514 - 23rd Street East
Regina 101 McCallum Hill Building
Edmonton 10039 Jasper Avenue
Calgary 606 - 7th Avenue S.W.
Lethbridge 323 - 7th Street South
Kelowna 248 Bernard Avenue
Vancouver 626 West Pender Street
Victoria 1205 Government Street

Abroad

London, England 3 St. James's Square
St. Helier, Jersey, C.I. 33 Hill Street
Dublin 2, Ireland 113 Grafton Street

*Real Estate Offices

Highlights of 1966 at a glance

(Consolidated Operations)

	1966	1965
Gross Income	\$ 55,524,000	\$ 43,496,000
Net Profit	\$ 3,814,000	\$ 3,253,000
Profit per share	\$ 6.03	\$ 5.15
Companies' and Guaranteed Account Assets	\$ 665,121,000	\$ 542,847,000
Total Assets Under Administration	\$4,366,921,000	\$3,995,679,000

